



**State of Utah**

**Department of  
Workforce Services**

**RAYLENE IRELAND**  
*Executive Director*

**DARIN BRUSH**  
*Deputy Director*

**BLAINE CRAWFORD**  
*Deputy Director*

**MICHAEL O. LEAVITT**  
*Governor*

**OLENE S. WALKER**  
*Lieutenant Governor*

## **DWS News**

**For Immediate Release**

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**Contact: Mark Knold 801-526-9458**

### **UTAH'S EMPLOYMENT SITUATION: February 2003**

The seasonally-adjusted unemployment rate for February registered 5.3 percent. Approximately 64,000 Utahns were unemployed in February 2003, an 11.3 percent decrease against February 2002 when the unemployment rate was 6.1 percent. January's rate was revised downward to 5.3 percent. Mark Knold, Senior Economist for the Department of Workforce Services (DWS) observed, "The economy is still operating in a stagnant mode. Unemployment has hovered around the 5.5-percent range for the past half year. We're still waiting to see this economy spring back to life, but I really don't expect to see that until summer at the earliest."

Utah's other primary indicator of current labor market conditions, the year-over change in the number of nonfarm wage and salaried jobs, dropped significantly. February employment is down 10,500, or -1.0 percent as compared to that measured in February 2002. January's employment measurement was unrevised at -0.5 percent. Raylene Ireland, Executive Director of the Utah Department of Workforce Services explains, "Don't read too much into this employment decline. This drop is the product of last year's Olympics. Between the Salt Lake Organizing Committee, the news media, security, parking lots, hotels and restaurants, there were close to 10,000 temporary workers put in place for the Olympics. Of course this February is going to be down compared to that."

Nationally, the unemployment rate was little changed in February, at 5.8 percent; the number of unemployed persons was 8.5 million. Since November 2001, the unemployment rate has ranged from 5.6 to 6.0 percent. In February, nearly 1.9 million persons had been unemployed for 27 weeks or more. They made up about 22 percent of all unemployed persons, compared with about 15 percent a year earlier. The employment picture is also largely unchanged. Year-over employment is down -0.2 percent. A year ago, the economic cycle hit bottom at -1.3 percent. Since then it has crept upward, reaching -0.2 in November. But over the past three months it's basically unchanged, an indication that the past three months have been a flat spot in the road to recovery.

*Note: This press release marks the second month of economic analysis using the new North American Industry Classification System. Many industries are newly identified, and old ones have been revised. <http://jobs.utah.gov/wi/>*

Utah's February employment picture is almost one to be ignored. Is it moving forward; is it moving sideways? Here's the problem. It's estimated that roughly 10,000 temporary jobs were in place last February because of the Olympics. Those jobs have since gone. So the economy this February is going to have to generate 10,000 new jobs just to break even. Last month, January 2003, Utah's employment count was down 5,000 jobs. If nothing changed between January 2003 and February 2003, Utah would still be down 5,000 jobs. But last February's Olympics deepens this deficit by an additional 10,000. So you expect February's year-over employment comparison to be down 15,000 jobs? Instead, total employment is down "only" 10,500 positions. Does that mean the economy actually recovered 5,000 jobs since last February? You can see the difficulty in getting a suitable feel for how the economy is currently moving. Last year's Olympics distort the picture. What's the solution? Probably waiting until April, when the Olympic effect has passed.

Look at the Leisure and Hospitality industry. In February, year-over employment is down 8,600 positions. Last month it was only down 3,700. This large difference is the Salt Lake Organizing Committee, and additional hotel and restaurant staff last February. This is one industry clearly illustrating last year's Olympic employment spike.

Professional and Business Services is another example; this month down 3,500 positions — last month down 700 positions. Other Services is another Olympic-influenced industry; this month down 1,400 positions — last month down 300. The Olympic effect reached into several different industries.

Here's one influenced in the other direction— State Government. Last month, its year-over employment was unchanged. This month it's up 3,000 positions. Last February, during the Olympics, several universities closed, so their employment count was correspondingly down. This February they're back, so you can see an Olympic effect going in the opposite direction here. Does this account for some of that speculated 5,000 employment gain mentioned three paragraphs ago? Could be. Now you can see some of the difficulties in getting a clear picture of what the economy is really doing in the face of last year's Olympic buildup.

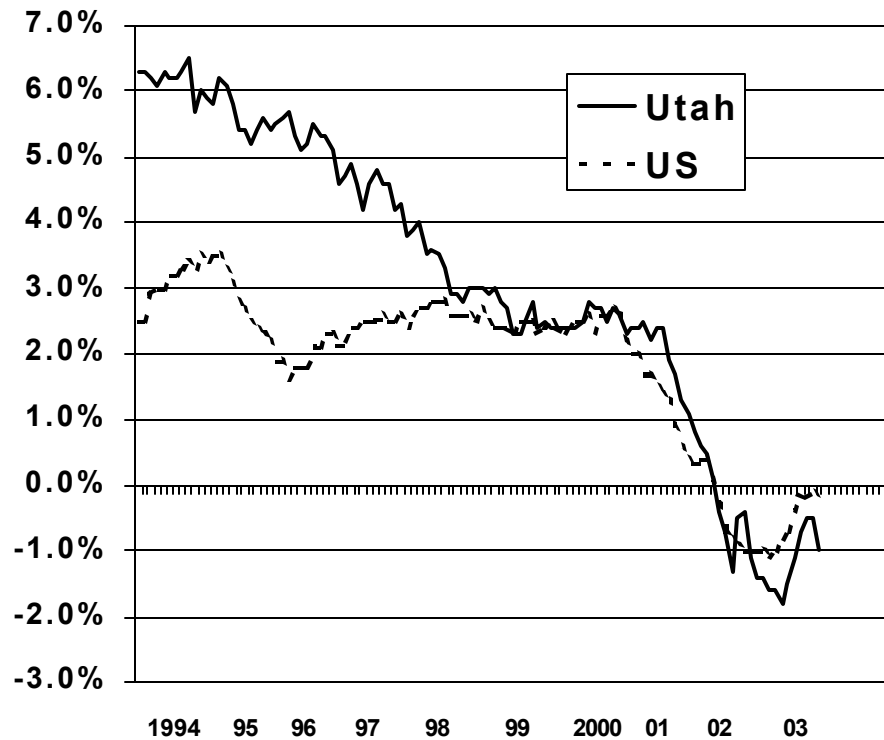
Are there any industries not influenced by last year's Olympics? Yes — all the rest. The economy's strongest industry is Education and Health Services, adding jobs at a year-over count of 4,500 jobs. There are some skills shortages in this industry, and considering careers in this industry could be a smart move.

Construction and Manufacturing are still mired in slumps. You can make the case that some of the Construction industry's slowing is because of the pre-Olympic buildup, but Manufacturing has no direct Olympic influence.

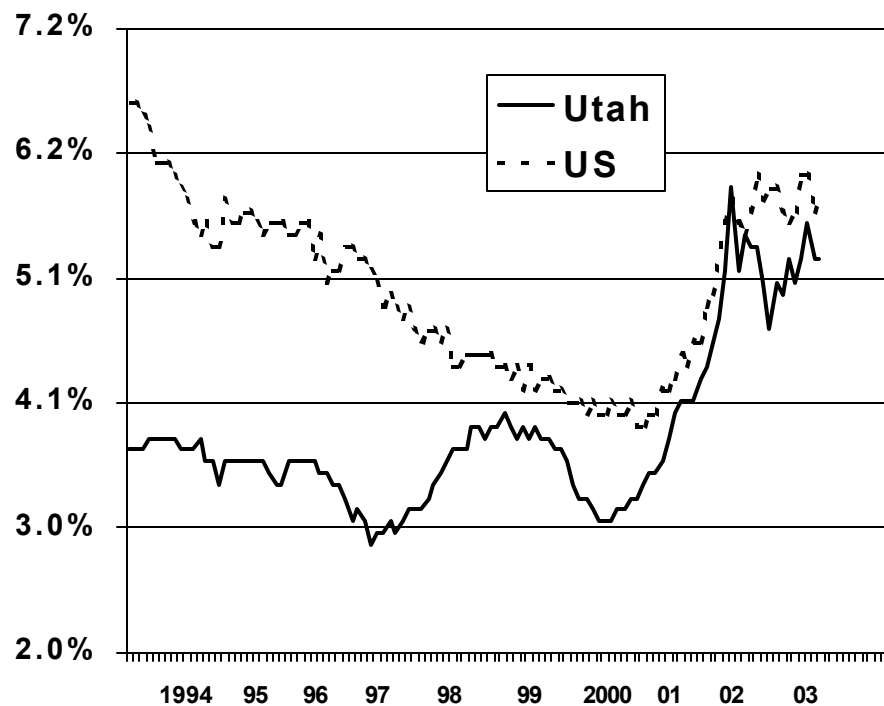
In summary, it's difficult to get a clear picture of Utah's economic direction this month. But it is felt that the bottom of this current economic slowdown was hit last March, and that the current state of affairs is an economy trying to regain its lost momentum. We are beginning to see the seeds of that reversal emerge.

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## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

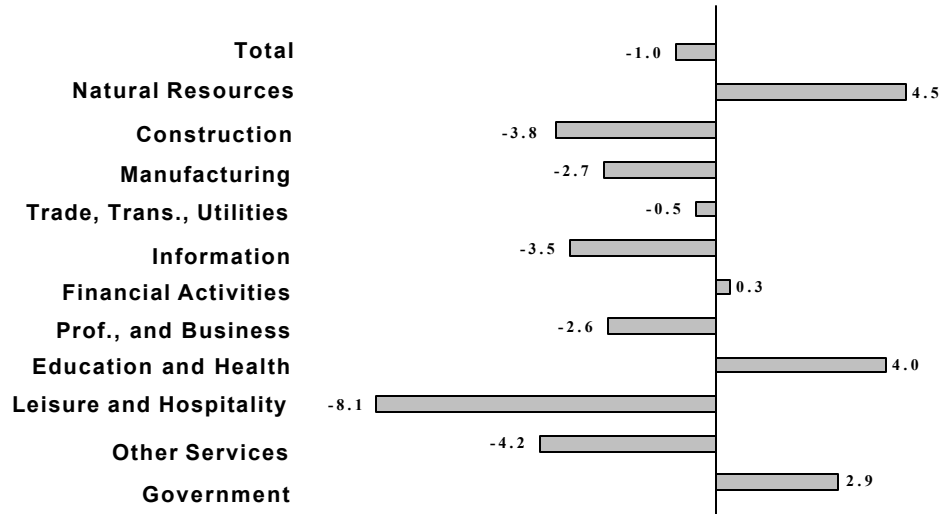


## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

Numbers are in thousands and are not seasonally adjusted.	Feb.(f) 2003	Feb. 2002	Percentage Change	Jan.(r) 2003	Jan. 2002	Percentage Change
<b>CIVILIAN LABOR FORCE</b>	<b>1,193.9</b>	<b>1,173.8</b>	<b>1.7</b>	<b>1,194.5</b>	<b>1,169.2</b>	<b>2.2</b>
Employed	1,124.7	1,096.0	2.6	1,128.7	1,097.9	2.8
Unemployed	69.2	77.8	-11.1	65.8	71.3	-7.7
Unemployment Rate	5.8	6.6		5.5	6.1	
<b>NONAGRICULTURAL EMPLOYMENT</b>	<b>1,059.1</b>	<b>1,069.6</b>	<b>-1.0</b>	<b>1,057.8</b>	<b>1,062.8</b>	<b>-0.5</b>
<b>GOODS PRODUCING</b>	<b>176.8</b>	<b>182.0</b>	<b>-2.8</b>	<b>179.3</b>	<b>185.4</b>	<b>-3.3</b>
<b>Natural Resources, and Mining</b>	<b>7.0</b>	<b>6.7</b>	<b>4.5</b>	<b>7.0</b>	<b>6.7</b>	<b>4.5</b>
<b>Construction</b>	<b>59.1</b>	<b>61.5</b>	<b>-3.8</b>	<b>61.4</b>	<b>63.9</b>	<b>-3.9</b>
Construction of Buildings	12.8	14.1	-9.3	13.5	14.9	-9.3
Specialty Trade Contractors	39.7	41.1	-3.5	41.1	42.6	-3.5
<b>Manufacturing</b>	<b>110.7</b>	<b>113.8</b>	<b>-2.7</b>	<b>110.9</b>	<b>114.8</b>	<b>-3.4</b>
<b>Durable Goods</b>	<b>73.8</b>	<b>76.7</b>	<b>-3.8</b>	<b>73.8</b>	<b>77.4</b>	<b>-4.7</b>
Primary and Fabricated Metals	13.3	14.6	-8.8	13.5	14.8	-8.8
Computer and Electronic Products	11.4	12.7	-10.2	11.4	13.0	-12.3
Transportation and Equipment Manufacturing	13.0	13.4	-3.0	12.8	13.4	-4.5
<b>Non-Durable Goods</b>	<b>36.9</b>	<b>37.2</b>	<b>-0.8</b>	<b>37.1</b>	<b>37.4</b>	<b>-0.8</b>
Food Manufacturing	13.6	13.4	1.5	13.6	13.4	1.5
Printing and Related Support Activities	6.4	7.0	-8.5	6.5	7.1	-8.5
<b>SERVICES PROVIDING</b>	<b>882.3</b>	<b>887.6</b>	<b>-0.6</b>	<b>878.5</b>	<b>877.4</b>	<b>0.1</b>
<b>Trade, Transportation, and Utilities</b>	<b>211.5</b>	<b>212.5</b>	<b>-0.5</b>	<b>213.2</b>	<b>214.2</b>	<b>-0.5</b>
<b>Wholesale Trade</b>	<b>40.2</b>	<b>40.0</b>	<b>0.5</b>	<b>40.1</b>	<b>39.9</b>	<b>0.5</b>
<b>Retail Trade</b>	<b>126.5</b>	<b>127.5</b>	<b>-0.8</b>	<b>128.6</b>	<b>129.6</b>	<b>-0.8</b>
Motor Vehicle and Parts Dealers	15.8	15.7	0.6	15.7	15.6	0.6
Food and Beverage Stores	22.1	22.6	-2.2	21.9	22.8	-3.9
General Merchandise Stores	24.5	23.9	2.4	25.3	24.7	2.4
<b>Transportation and Utilities</b>	<b>44.8</b>	<b>45.0</b>	<b>-0.4</b>	<b>44.5</b>	<b>44.7</b>	<b>-0.4</b>
Utilities	4.0	4.0	0.0	4.0	4.0	0.0
Transportation & Warehousing	40.8	41.0	-0.5	40.5	40.7	-0.5
Air Transportation	7.1	7.1	0.0	7.1	7.0	1.4
Truck Transportation	17.1	16.8	1.8	17.1	16.8	1.8
<b>Information</b>	<b>30.6</b>	<b>31.7</b>	<b>-3.5</b>	<b>30.7</b>	<b>31.8</b>	<b>-3.5</b>
Publishing Industries	8.7	8.8	-1.1	8.8	8.9	-1.1
Motion Picture and Sound Recording	4.9	4.5	8.5	5.1	4.7	8.5
Telecommunications	5.4	6.1	-10.9	5.7	6.4	-10.9
Internet Service Providers	7.2	6.9	4.4	7.1	6.8	4.4
<b>Financial Activities</b>	<b>63.6</b>	<b>63.4</b>	<b>0.3</b>	<b>63.6</b>	<b>63.4</b>	<b>0.3</b>
Finance and Insurance	49.5	48.7	1.6	49.6	48.8	1.6
Real Estate and Rental and Leasing	14.1	14.7	-4.1	14.0	14.6	-4.1
<b>Professional and Business Services</b>	<b>129.2</b>	<b>132.7</b>	<b>-2.6</b>	<b>128.8</b>	<b>129.5</b>	<b>-0.5</b>
Professional, Scientific, and Technical Services	48.3	49.1	-1.6	48.0	48.8	-1.6
Architectural, Engineering, and Related	8.7	9.2	-5.4	8.7	9.2	-5.4
Computer Systems Design and Related	10.1	11.0	-8.0	10.3	11.2	-8.0
Management of Companies and Enterprises	20.7	21.3	-2.8	20.7	21.5	-3.7
Administration & Support						
& Waste Management & Remediation	60.2	62.3	-3.4	60.1	59.2	1.5
Employment Services	17.7	19.1	-7.3	17.7	17.8	-0.6
Business Support Services	15.3	15.9	-3.7	15.5	16.1	-3.7
<b>Education and Health Services</b>	<b>117.4</b>	<b>112.9</b>	<b>4.0</b>	<b>116.6</b>	<b>111.7</b>	<b>4.4</b>
Educational Services	27.1	26.7	1.5	27.0	26.2	3.1
Health Services and Social Assistance	90.3	86.2	4.8	89.6	85.5	4.8
Ambulatory Health Care Services	33.8	31.7	6.6	33.7	31.5	7.0
Hospitals	27.0	26.1	3.5	26.6	25.7	3.5
Nursing and Residential Care Facilities	16.6	16.3	1.9	16.5	16.2	1.9
Social Assistance	12.8	12.1	5.8	12.8	12.1	5.8
<b>Leisure and Hospitality</b>	<b>97.6</b>	<b>106.2</b>	<b>-8.1</b>	<b>96.8</b>	<b>100.5</b>	<b>-3.7</b>
Arts, Entertainment, and Recreation	16.4	21.2	-22.6	16.2	18.9	-14.3
Accommodation and Food Services	81.2	85	-4.5	80.6	81.6	-1.2
Accommodation	16.2	17.1	-5.3	15.9	16.1	-1.2
Food Services and Drinking Places	65.0	67.9	-4.3	64.7	65.5	-1.2
<b>Other Services</b>	<b>31.7</b>	<b>33.1</b>	<b>-4.2</b>	<b>31.7</b>	<b>32</b>	<b>-0.9</b>
<b>Government</b>	<b>200.7</b>	<b>195.1</b>	<b>2.9</b>	<b>197.1</b>	<b>194.3</b>	<b>1.4</b>
<b>Federal Government</b>	<b>35.7</b>	<b>34.6</b>	<b>3.0</b>	<b>34.8</b>	<b>33.8</b>	<b>3.0</b>
Federal Defense	15.8	15.8	0.0	15.9	15.9	0.0
Other Federal Government	19.9	18.8	5.6	18.9	17.9	5.6
<b>State Government</b>	<b>61.9</b>	<b>58.9</b>	<b>5.1</b>	<b>60.3</b>	<b>60</b>	<b>0.5</b>
State Schools	34.0	30.8	10.4	32.7	32.1	1.9
Other State Government	27.9	28.1	-0.7	27.7	27.9	-0.7
<b>Local Government</b>	<b>103.1</b>	<b>101.6</b>	<b>1.5</b>	<b>102</b>	<b>100.5</b>	<b>1.5</b>
Local Education	62.7	60.9	3.0	62	60.2	3.0
Other Local Government	40.4	40.7	-0.7	40	40.3	-0.7

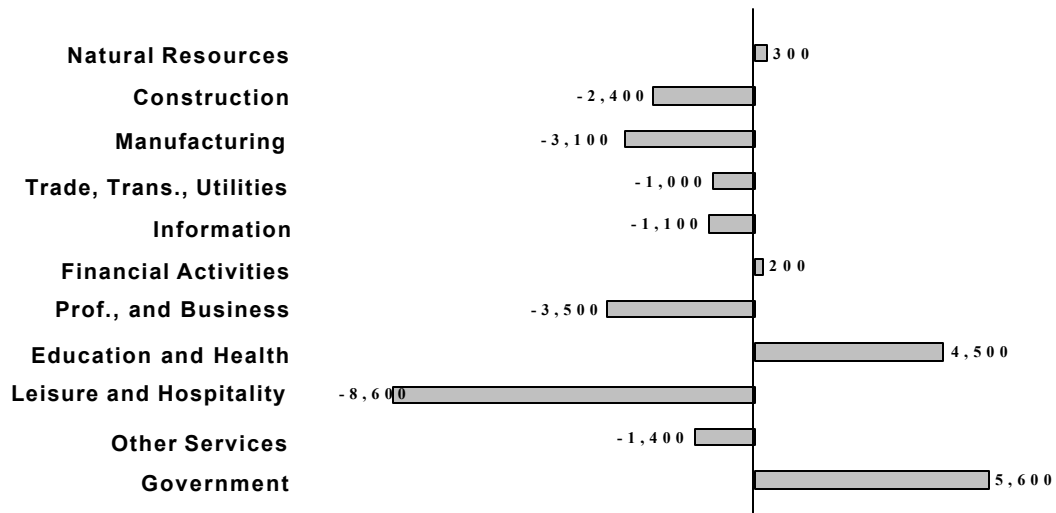
Source: Utah Department of Workforce Services

## Utah Nonfarm Job Growth (Percent Change) February 2003 – 2002



Source: Utah Department of Workforce Services

## Utah Nonfarm Job Growth (Numeric Change) February 2003 – 2002



Source: Utah Department of Workforce Services

## Seasonally Adjusted Unemployment Rates

	February 2003 (f)	January 2003 (p)	December 2002(r)
<b>State Total</b>	<b>5.3</b>	<b>5.3</b>	<b>5.6</b>
<b>Bear River</b>	<b>4.6</b>	<b>4.4</b>	<b>4.3</b>
Box Elder	6.4	6.2	5.8
Cache	3.9	3.8	3.7
Rich	4.8	5.2	4.5
<b>Wasatch Front</b>	<b>5.7</b>	<b>5.6</b>	<b>5.4</b>
<b>North</b>	<b>5.8</b>	<b>5.7</b>	<b>5.3</b>
Davis	5.0	4.9	4.4
Morgan	4.5	5.4	5.2
Weber	6.8	6.5	6.3
<b>South</b>	<b>5.7</b>	<b>5.6</b>	<b>5.4</b>
Salt Lake	5.6	5.5	5.4
Tooele	9.5	9.3	8.7
<b>Mountainland</b>	<b>5.1</b>	<b>5.0</b>	<b>5.0</b>
Summit	7.1	6.8	7.3
Utah	4.8	4.7	4.7
Wasatch	7.9	6.9	7.8
<b>Central</b>	<b>5.7</b>	<b>6.2</b>	<b>5.7</b>
Juab	7.5	6.9	6.8
Millard	4.7	4.9	4.8
Piute	6.7	6.5	7.2
Sanpete	5.6	6.4	6.3
Sevier	5.5	5.3	4.7
Wayne	6.5	6.6	6.4
<b>Southwestern</b>	<b>5.2</b>	<b>5.1</b>	<b>4.5</b>
Beaver	5.7	6.1	5.3
Garfield	11.2	8.7	8.3
Iron	5.2	5.0	4.7
Kane	3.9	3.1	3.7
Washington	4.8	4.9	4.2
<b>Uintah Basin</b>	<b>7.3</b>	<b>7.2</b>	<b>6.7</b>
Daggett	4.6	6.0	3.3
Duchesne	8.9	8.4	7.6
Uintah	6.5	6.7	6.3
<b>Southeastern</b>	<b>9.2</b>	<b>9.2</b>	<b>7.7</b>
Carbon	7.7	7.1	7.0
Emery	10.6	10.1	9.8
Grand	10.6	8.6	6.1
San Juan	9.2	9.7	9.1
<b>Salt Lake-Ogden MSA</b>	<b>5.7</b>	<b>5.6</b>	<b>5.3</b>
<b>United States</b>	<b>5.8</b>	<b>5.7</b>	<b>6.0</b>

f=forecast p=preliminary r=revised

Source: Utah Department of Workforce Services, Workforce Information.